

House Amendment 8596

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1 1 Amend Senate File 2399, as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. Page 1, by inserting after line 24 the
1 4 following:
1 5 <Sec. _____. Section 476B.6, subsection 5, Code
1 6 Supplement 2005, is amended by striking the subsection
1 7 and inserting in lieu thereof the following:
1 8 5. A tax credit certificate may be filed pursuant
1 9 to any of the following, to the extent applicable:
1 10 a. If the tax credit application is filed by a
1 11 partnership, limited liability company, S corporation,
1 12 estate, trust, or other reporting entity all of the
1 13 income of which is taxed directly to its equity
1 14 holders or beneficiaries, for the taxes imposed under
1 15 chapter 422, division II or III, the tax credit
1 16 certificate shall be issued directly to equity holders
1 17 or beneficiaries of the applicant in proportion to
1 18 their pro rata share of the income of such entity.
1 19 The applicant shall, in the application made under
1 20 this section, identify its equity holders or
1 21 beneficiaries, and the percentage of such entity's
1 22 income that is allocable to each equity holder or
1 23 beneficiary.
1 24 b. If the tax credit applicant under this section
1 25 is eligible to receive renewable electricity
1 26 production credits authorized under section 45 of the
1 27 Internal Revenue Code, as amended, and the tax credit
1 28 applicant is a partnership, limited liability company,
1 29 S corporation, estate, trust, or other reporting
1 30 entity all of the income of which is taxed directly to
1 31 its equity holders or beneficiaries, for the taxes
1 32 imposed under chapter 422, division II or III, the tax
1 33 credit certificate may be issued to a partner if the
1 34 business is a partnership, a shareholder if the
1 35 business is an S corporation, or a member if the
1 36 business is a limited liability company in the amounts
1 37 designated by the eligible partnership, S corporation,
1 38 or limited liability company. In absence of such
1 39 designation, the credits under this section shall flow
1 40 through to the partners, shareholders, or members in
1 41 accordance with their pro rata share of the income of
1 42 the entity.
1 43 The applicant shall, in the application made under
1 44 this section, identify the holders or beneficiaries
1 45 that are to receive the tax credit certificates and
1 46 the percentage of the tax credit that is allocable to
1 47 each holder or beneficiary.
1 48 c. If an applicant under this section is eligible
1 49 to receive renewable electricity production credits
1 50 authorized under section 45 of the Internal Revenue
2 1 Code, as amended, and the tax credit applicant is a
2 2 partnership, limited liability company, S corporation,
2 3 estate, trust, or other reporting entity all of the
2 4 income of which is taxed directly to its equity
2 5 holders or beneficiaries, for the taxes imposed under
2 6 chapter 422, division II or III, the tax credit
2 7 certificates and all future rights to the tax credit
2 8 in this section may be distributed to an equity holder
2 9 or beneficiary as a liquidating distribution or
2 10 portion thereof, of a holder or beneficiary's interest
2 11 in the applicant entity.
2 12 The applicant shall, in the application made under
2 13 this section, designate the percentage of the tax
2 14 credit allocable to the liquidating equity holder or
2 15 beneficiary that is to receive the current and future
2 16 tax credit certificates under this section.
2 17 d. If the tax credit application is filed by a
2 18 partnership, limited liability company, S corporation,
2 19 estate, trust, or other reporting entity, all of whose
2 20 income is taxed directly to its equity holders or
2 21 beneficiaries for the taxes imposed under chapter 422,
2 22 division V, or under chapter 432, the tax credit
2 23 certificate shall be issued directly to the
2 24 partnership, limited liability company, S corporation,

2 25 estate, trust, or other reporting entity.>
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2 29 COMMITTEE ON WAYS AND MEANS
2 30 J. K. VAN FOSSEN of Scott, Chairperson
2 31 SF 2399.202 81
2 32 kk/sh/5343